



Leading The Way III

QUARTERLY PROGRESS REPORT: JUNE 30, 2012

CITY OF BOSTON
Thomas M. Menino, Mayor

Evelyn Friedman
Chief and Director
Department of
Neighborhood Development

William J. Good III
Commissioner,
Inspectional Services
Department

Bill McGonagle
Administrator,
Boston Housing Authority

Peter Meade
Director,
Boston Redevelopment
Authority

HIGHLIGHTS

Significant Accomplishments

Affordable Housing. With 127 new units permitted this quarter, there have now been 1,077 new affordable rental units permitted in *LTW-III* to date, exceeding the 1,000-unit target six months ahead of schedule. 83% of these units are affordable to households with incomes at or below the Boston median income (60% of Area Median Income), and 246 units have been set aside for the homeless. Including the 117 new affordable ownership units permitted to date, the total affordable housing count for *LTW-III* to date is now 1,194 new units.

Market Rate Housing. 674 new market rate units were permitted this quarter, bringing the *LTW-III* total to 3,256 new units. This has enabled the City to reach its 3,000-unit target six months early. There is currently \$1.7 billion in housing under construction in Boston – more than at any time in the last five years.

Homeless Families. The BHA's initiative to target 500 rental assistance units to Boston families in our shelters is now delivering significant results. The Rapid Rehousing providers posted a 9-fold increase in family placements this quarter – 270 families were moved out of shelter and into permanent housing. Most of this increase is attributable to the BHA's initiative.

Housing Market. The centrally-located neighborhoods (Central, Back Bay/Beacon Hill, Fenway/Kenmore, South End, Charlestown and Seaport) posted all time records this quarter for both prices (\$572,750) and rents (\$2,950). More significantly, condo sales volumes were up 40% over the same quarter last year, and are now at pre-recession levels for the first time. If these conditions continue, the long-stalled condo development sector may finally come to life. The strength of the Central Neighborhoods housing market has driven citywide home prices to all time high - \$399,000 compared to the previous market record of \$397,000 set in Q2-2005.

Challenges

Home Values In High-Foreclosure Neighborhoods. While all-time records were being posted in some parts of the city, home values in the high foreclosure neighborhoods actually fell for the second quarter in a row. This market softness appears to not be as much from the dampening effects of REO sales as in the past (REOs are now only 16% of the market compared to 50% three years ago) but more from continuing instability in the condo market. In Q2 2012, although home prices were actually up for all other types of housing, a \$25,000 drop in non-REO condo prices brought down overall prices by 2.2%. Home prices in the high-foreclosure neighborhoods are still \$25,000 below what they were in 2008 and are \$136,000 below what they were at the market peak in 2005.

Foreclosures. With only 91 foreclosure deeds this quarter, foreclosure activity is now at the lowest rate since 2007 as the City's foreclosure intervention efforts continue to prevent foreclosures on owner-occupied homes at more than double the rate that banks are completing them. Offsetting this positive trend is the continuing rise in foreclosure petitions that reached a 2-year high this quarter with 252 petitions. This represents a 58% increase from the same quarter last year.

GOAL 1: HOUSING BOSTON'S WORKFORCE

2012 Target: *Complete construction on at least 80% of the market-rate units and 100% 2,739 dorm beds that were permitted but not complete at the start of LTW-III*

Current Status:

GOAL ACHIEVED: 1,900 (98%) of the 1,943 market-rate units, and 100% of the 2,739 dorm beds permitted at the start of *LTW-III* have been completed

2012 Target: *Permit 3,000 new units of market-rate housing primarily in the centrally located neighborhoods where market conditions are strongest*

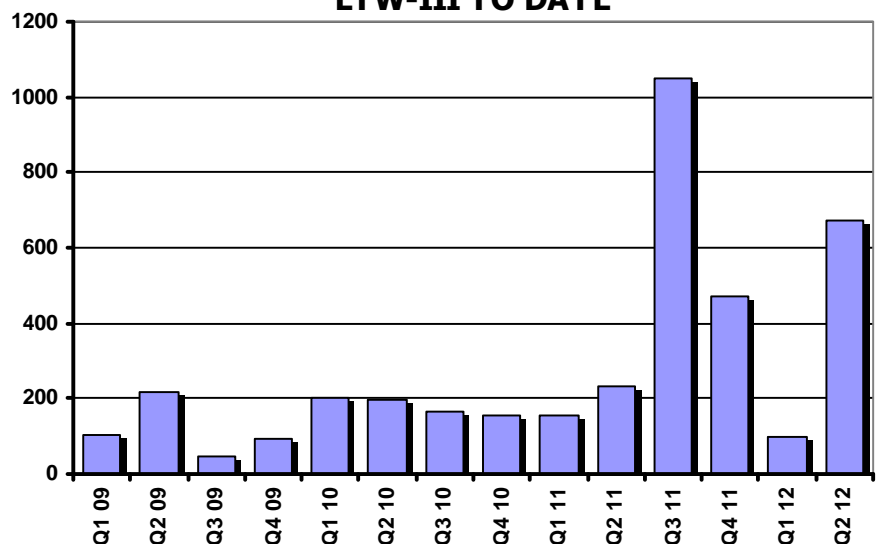
Current Status:

GOAL ACHIEVED: 3,256 units permitted

MARKET-RATE UNITS PERMITTED	Q2 2012	LTW-III To Date
Market-rate Units Permitted – BRA (Large/Article 80)	575	2,248
Market-rate Units Permitted – DND (City Assisted)	0	97
Market-rate Units Permitted – ISD (Small Projects)	99	911
TOTAL	674	3,256

After a slow first quarter, 2012 is now showing considerable strength with 674 new market rate units going into construction this quarter. Three of the four large projects permitted this quarter (boldface on list on following page) were in the South Boston Seaport district, reflecting strong developer confidence in the economic future of the new Innovations District.

**HOUSING STARTS BY QUARTER:
LTW-III TO DATE**



LARGE PRIVATE PROJECTS PERMITTED 1/1/2009-6/30/2012	TOTAL	AFFORD	MARKET
770-774 East Third St	18	2	16
1100 VFW Parkway (Gordon's Wood)	42	5	37
1255 Adams St (Baker Chocolate)	17	0 ⁴	17
Wingate Jesuit Retirement Home	72	0 ¹	72
687-697 Massachusetts Ave	40	2	38
Paradigm @ Blakemore	12	0	12
255-257 Northampton Phase 2 (The Modern Phase II)	37	7	30
154-160 Green Street Mixed-Use Project	13	2	11
Russia Wharf	86	5	81
9-23 Griggs St	100	12 ²	96
Charlesview Apartments	29	10	19
The Victor (Simpson Parcel 1)	286	10 ³	276
Ridgecrest Village Apartments	48	0 ⁴	48
First + First (3 Dorchester St - Phase II)	22	2	20
Avalon/Exeter (Prudential)	188	24 ⁵	182
Kensington	381	0 ⁶	381
5-10 St. George Street	33	0 ⁷	29
348 Bremen Street	14	4	12
Hayward Place	265	3	265
360 West Second St	19	2	16
Warren Green (CANA Parcel 3)	17	2	15
Eleven West (Lechmore Point)	50	6	44
West Square	256	33	223
319 A Street (Boston Wharf Tower)	202	22	180
100 Arlington St (Former Renaissance Charter School)	128	0⁴	128
TOTAL	2,375	127	2,248

¹ IDP Exempt – assisted/group living housing

² 4 onsite affordable rental units and 8 offsite affordable rental units at 1298-1302 Commonwealth Avenue

³ Also made a \$5.6 million Cash-Out payment

⁴ As-Of-Right; exempt from Inclusionary Development Policy

⁵ 6 onsite affordable rental and 18 offsite affordable units elsewhere in the Prudential residences

⁶ Made \$7 million Offsite Cash-Out payment for Hong Lok House, a 75-unit affordable development in the same area

⁷ Is making a \$10 million Cash-out payment



DORMITORY CONSTRUCTION

No new dormitories started or completed construction this quarter. There are currently 1,791 dorm beds in construction in four projects (Mass College of Art, BU Medical Graduate Dorm, Grandmarc at St Botolph, and Berklee College of Music).

NEW DORMITORY CONSTRUCTION	Q2 2012	LTW-III To Date
Net New Dorm Beds Started	0	1,925
Net New Dorm Beds Completed	0	2,978

MARKET TRENDS & OUTLOOK FOR MARKET-RATE HOUSING

From the outset of *LTW-III*, the City has identified three different housing submarkets in Boston: 1) the Walk-To-Work Neighborhoods of Back Bay/Beacon Hill, Central Boston, Charlestown, Fenway/Kenmore, Seaport and South End, 2) The Stable Market Neighborhoods of Allston/Brighton, Jamaica Plain, Roslindale, South Boston outside the Seaport District and West Roxbury, and 3) The High-Foreclosure Neighborhoods including East Boston, Dorchester, Hyde Park, Mattapan and Roxbury.

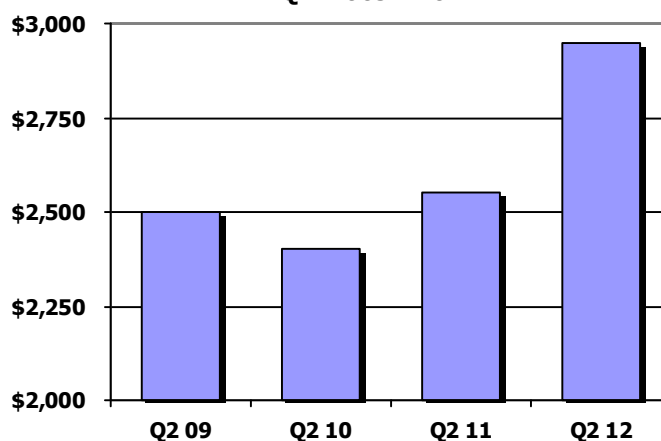
WALK-TO-WORK HOUSING MARKET

It was predicted at the start of *LTW-III*, that this market would be the first to rebound from the housing market slump, and that is now happening.

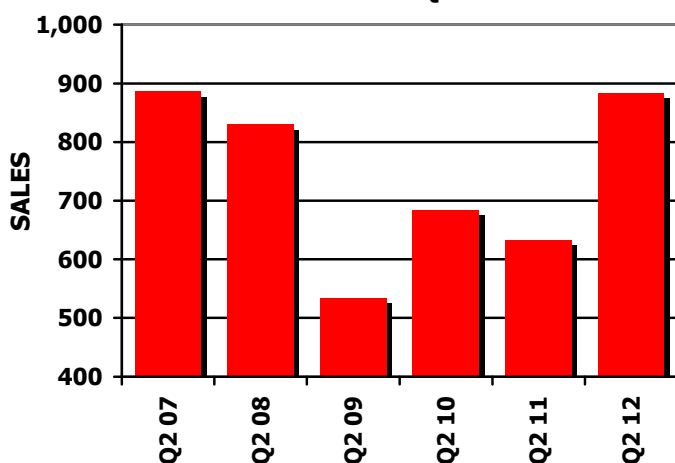
Rental Market. In Q2 2012 listing rents in this area reached a new record -- \$2,950/month. This is a 16% jump over the same quarter last year. For the developers of new market rate rental housing in this area (there are currently almost 2,000 new rental units now in construction in this area) this market strength should be welcome news that should encourage even more new rental housing development.

Ownership Market. Prices continue to strengthen in the Walk-To-Work neighborhoods with a record-setting median house price of \$572,750 this quarter. The more important trend however, is the 40% jump in sales volumes over the same quarter last year. Sales this quarter are currently at a 5-year high. Slow sales rates, especially since 2009, have made it difficult to finance new condominium development despite the strength in prices. If this quarter's sales rate continues through 2012, the new condominium development should soon follow.

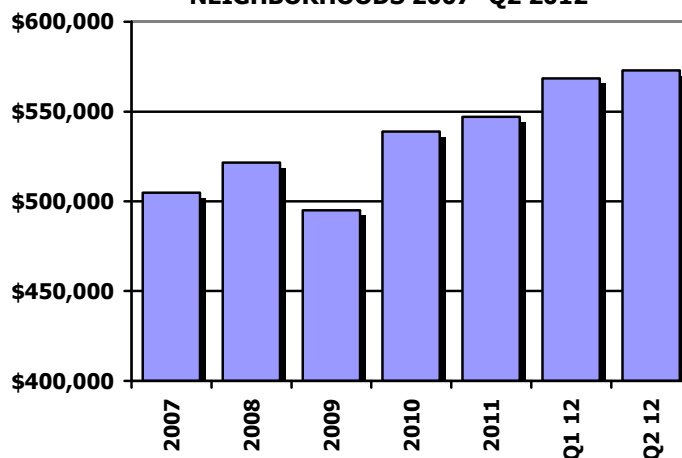
**LISTED RENTS IN WALK-TO-WORK
NEIGHBORHOODS:
Q2: 2009 - 2012**



**SALES IN WALK-TO-WORK
NEIGHBORHOODS: Q2 2007-2012**



**PRICES IN WALK-TO-WORK
NEIGHBORHOODS 2007- Q2 2012**



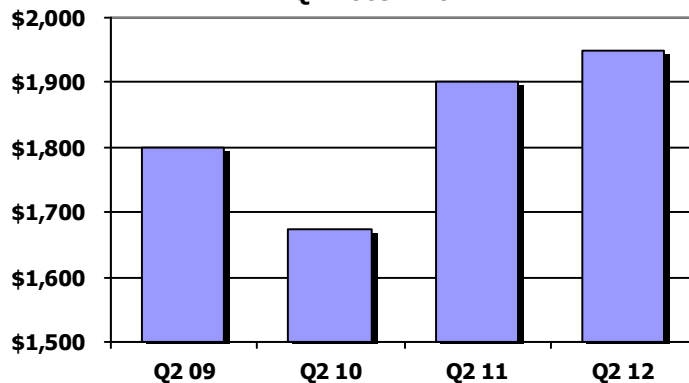
STABLE NEIGHBORHOODS HOUSING MARKET

These neighborhoods were identified as the “Stable” neighborhoods in *LTW-III* largely because they were, compared to other parts of the City, much less affected by the turmoil in the housing market in 2008. They had neither the large numbers of foreclosures that destabilized prices elsewhere in the City, nor did they have excessive concentrations of condominiums that were vulnerable to the difficulties in that sector. On the rental side, after a significant jump in rents in 2011, rents are still remaining strong and now stand at \$1,950/month – a new record. The ownership market continues to show remarkable stability with a median price of \$355,000. Prices have remained virtually unchanged for two years and are almost identical to the 2007 prices before the market turmoil.

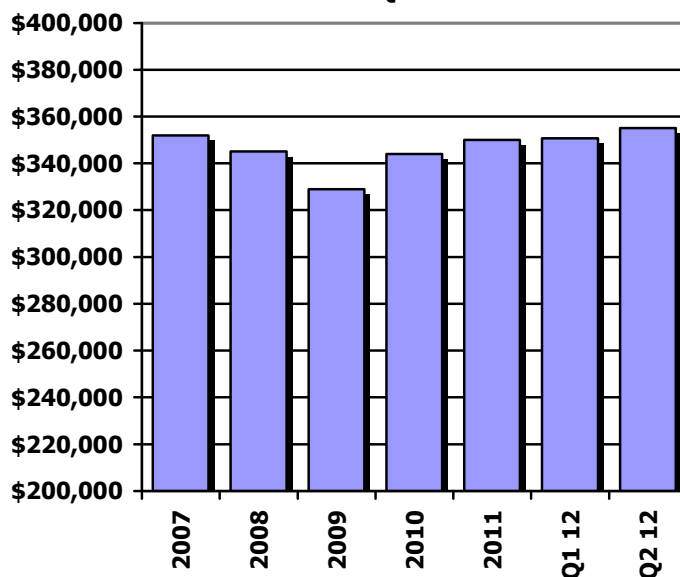
HIGH FORECLOSURE NEIGHBORHOODS HOUSING MARKET

The housing market for the high-foreclosure neighborhoods is discussed in more detail under Goal 2: Solving The Foreclosure Crisis.

**ASKING RENTS IN THE STABLE MARKET
NEIGHBORHOODS:
Q2 2009 - 2012**



**PRICES IN STABLE MARKET
NEIGHBORHOODS
2007- Q1 2012**



2012 Target: Create 1,500 New Homeowners Primarily By Helping Homebuyers Access a More Affordably-Priced Existing Housing Stock

NEW HOMEBUYERS ASSISTED	Q2 2012	LTW-III To Date
Homebuyers Receiving Downpayment & Closing Cost Assistance	16	405
Purchases of New Covenanted Units Without Downpayment Assistance	1	118
Completed Affordable Resales – DND	5	51
Completed Affordable Resales – BRA/Inclusionary	0	57
TOTAL	22	631

Current Status:

Q2 2012 Target to Date: 1,313 new homebuyers

Q2 2012 Performance: 631 homebuyers (48% of target)

Despite low prices and low interest rates, homebuyers were not able to benefit from these market conditions in significant numbers. Tight credit requirements, especially for condominiums which is a key stock for entry-level purchasers, has kept homebuyers out of the market. Competition from bargain-seeking investors has kept homebuyers out of the REO market as well – only 32% of properties that went into REO between 2006 and 2010 are now owner-occupied.

2012 Target: Permit 1,000 New Units of Rental Housing that is Affordable to Boston's Lower-Wage Service Industry Workers.

Current Status:

GOAL ACHIEVED: 1,077 affordable rental units permitted

NEW AFFORDABLE RENTAL UNITS PERMITTED	Q2 2012	LTW-III To Date
New Affordable Rental Units Permitted – DND/Assisted	66	953
New Affordable Rental Units Permitted - BRA /Inclusionary	61	124
TOTAL	127	1,077



With the permitting of Mattapan Heights V, a 60-unit affordable rental development at the site of the former Mattapan State Hospital the City has reached its 1,000-unit goal for new affordable rental housing. 83.3% of the affordable rental units permitted to date have been affordable to households with incomes at or below the average Boston income, or 60% of the Area Median Income.

AFFORDABILITY LEVELS OF RENTAL UNITS PERMITTED TO DATE (BY %AMI INCOME GROUP)	<30%	30-50%	50-60%	60-80%	80-100%	100-120%	TOTAL
PERMITTED UNITS	325	168	404	143	0	37	1077
% TOTAL	30.2%	15.6%	37.5%	13.3%	0.0%	3.4%	100.0%

Affordable Housing Completions:

103 new affordable units were completed this quarter. The largest project to be completed was the 57-unit Central Boston Elderly Housing in Dudley Square. Another five City-acquired REO properties also completed construction this quarter. Since *LTW-III* began, 607 new affordable units have come on line including 90 affordable ownership units and 517 rental apartments.



ECONOMIC IMPACTS GENERATED BY THE HOUSING SECTOR

After a slow winter quarter, private sector housing investment has rebounded substantially with over \$300 million in new projects generating 1.5 million hours of construction sector employment this quarter. City-sponsored housing investment now represents less than 10% of the housing sector compared to the 60% share it had two years ago when so many Stimulus-funded projects went into construction. As of June 30th 2012, there is currently \$1.7 billion of housing development in construction in Boston – more than at any time in the last five years.

TOTAL INVESTMENTS IN HOUSING DEVELOPMENT SECTOR	Q2 2012	LTW-III To Date
Private Sector Housing Development	\$311,200,000	\$1,985,100,000
City-Sponsored Housing Development	\$29,700,000	\$742,800,000
TOTAL HOUSING DEVELOPMENT SECTOR	\$340,900,000	\$2,727,900,000

HOURS OF CONSTRUCTION EMPLOYMENT CREATED	Q2 2012	LTW-III To Date
City-Sponsored Housing Development – DND	159,134	1,916,939
Public Housing Renovation and Redevelopment – BHA	0	1,474,699
SUBTOTAL PUBLICLY-SPONSORED INVESTMENT	159,134	3,391,638
Large Scale Housing & Dormitory Development – BRA	1,325,105	8,676,865
Small Scale Housing Development – ISD	208,132	1,751,945
SUBTOTAL PRIVATELY-SPONSORED INVESTMENT	1,533,237	10,428,810
TOTAL	1,692,371	13,820,448
PUBLIC SHARE OF JOB CREATION	9%	25%

GOAL 2: SOLVING THE FORECLOSURE CRISIS

2012 Target: *Prevent Home Foreclosures by Providing Financial Education to 15,000 Homeowners and Homebuyers, and Directly Prevent 1,000 Homeowners from Losing Their Homes to Foreclosure*

Current Status:

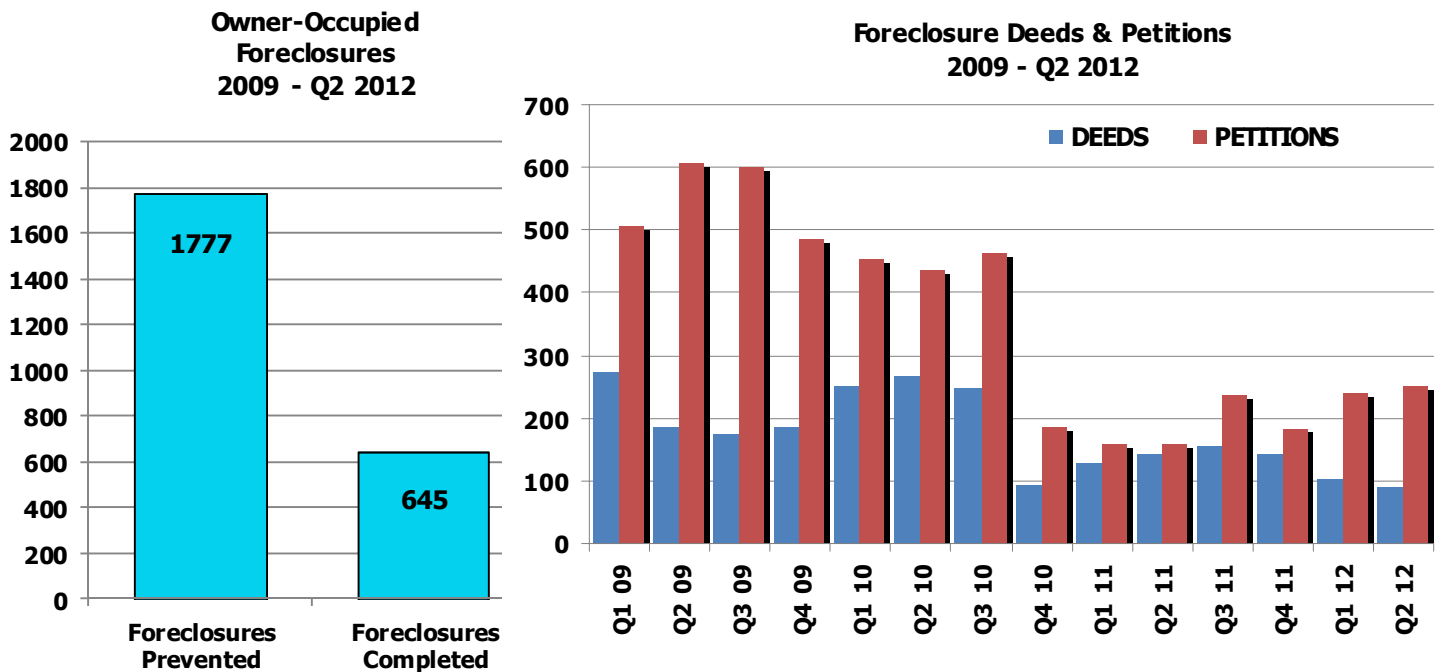
Q2 2012 Target: 13,125 homebuyers/homeowners completed financial education

Q2 2012 Performance: 12,655 participants (96% of target)

Q2 2012 Target: 875 foreclosures prevented

Q2 2012 Performance: **GOAL ACHIEVED:** 1,904 foreclosures prevented

FORECLOSURE PREVENTION ACTIVITY	Q2 2012	LTW-III To Date
Homebuyers/Homeowners Completing Financial Education	400	12,665
Foreclosures Prevented	140	1,904



With only 91 foreclosure deeds this quarter, foreclosure activity is now at the lowest rate since 2007 as the City's foreclosure intervention efforts continue to prevent foreclosures more than double the rate that banks are completing them. Offsetting this positive trend is the continuing rise in foreclosure petitions that reached a 2-year high this quarter with 252 petitions. This represents a 58% increase from the same quarter last year.

This increase in foreclosure filings represents a serious potential problem for the housing market going forward.

2012 Target: Reclaim 500 Units of REO Housing with City Assistance

Current Status:

Q2 2012 Target: 438 units of foreclosed housing reclaimed

Q2 2012 Performance: 407 units (93% of target)

UNITS OF REO HOUSING RECLAIMED	Q2 2012	LTW-III To Date
Units of Distressed REO Housing Permitted – Private/NPO Developers	10	121
Units of REO Housing Purchased – City-Assisted Homebuyer Purchases	10	172
Units of Pre-REO Housing Reclaimed Through Short Sales to Homebuyers	2	28
Units of Post-REO Housing Completed – City-Assisted Post-Purchase Rehab	16	86
TOTAL REO Units Reclaimed	38	407



**26 ITASCA STREET: BEFORE & AFTER
COMPLETING RENOVATIONS. APRIL 2012**

With 38 units of REO housing reclaimed, this has been the best quarter in two years for the City's REO efforts. The largest part of the REO program is now with individual homeowners that have purchased an REO or Short Sale property and are now getting City assistance with the repairs. It is expected that this activity will continue be a very significant part of the City's efforts as more and more REOs are making they way through the system and into the hands of homeowners. With very little remaining NSP funds from the Federal Government, the redevelopment of highly distressed REOs will continue to decline, with only 10 more properties currently in the City's development pipeline.

The City submitted two applications to the Attorney General's office for foreclosure-related funding from the multi-state settlement with the banks. If funded, these grants would enhance the City's foreclosure prevention activities, help prevent homelessness for very low-income

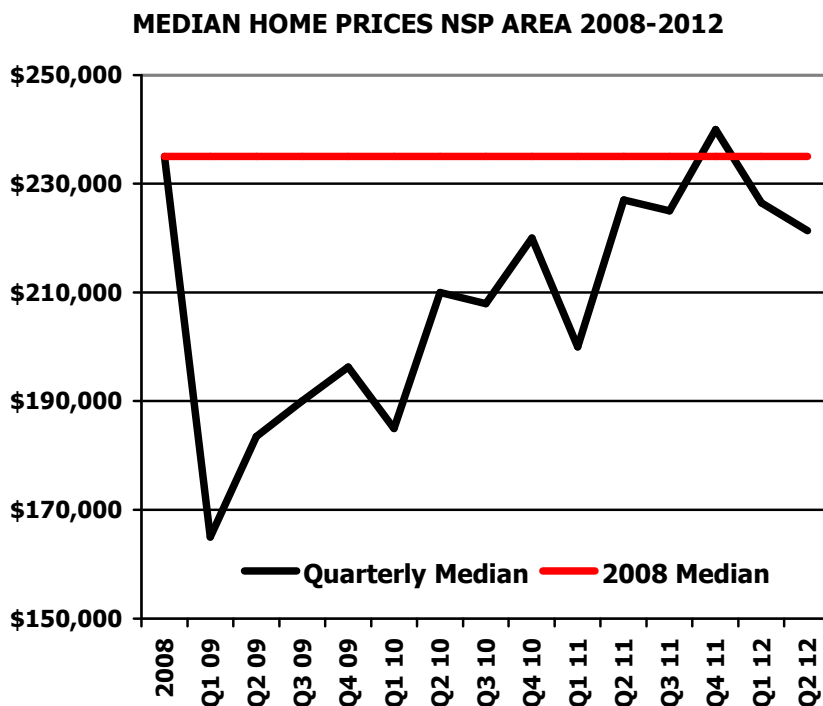
tenants in foreclosed homes, support homebuyers purchasing REO or Short Sales and stabilize small condominium associations in buildings where foreclosure activity is destabilizing the association and putting the remaining homeowners at risk.

2012 Target: Stabilize the Housing Market in the High-Foreclosure Neighborhoods and Work to Bring Values Back up to Pre-LTW-III (2008) Levels.

Current Status:

Q2 2012 Target: Return home prices in high-foreclosure neighborhoods to \$235,000 (2008 median)

Q2 2012 Performance: Median price: \$221,375 (94% of Target)



After climbing back up to its 2008 level at the end of 2011, prices in the high-foreclosure (“NSP”) neighborhoods are falling again. While new price records were being set in the Walk-To-Work and Stable Neighborhoods, the NSP neighborhoods are struggling again. This market softness comes despite the fact that REOs are now only 16% of sales – the lowest rate since late 2007. It is not REOs that are currently depressing the market.

What appears to be driving this trend is the non-REO condo market. While prices were actually *up* from Q1 to Q2 2012 for 1-family, 2-family and 3-family homes, condo prices fell by

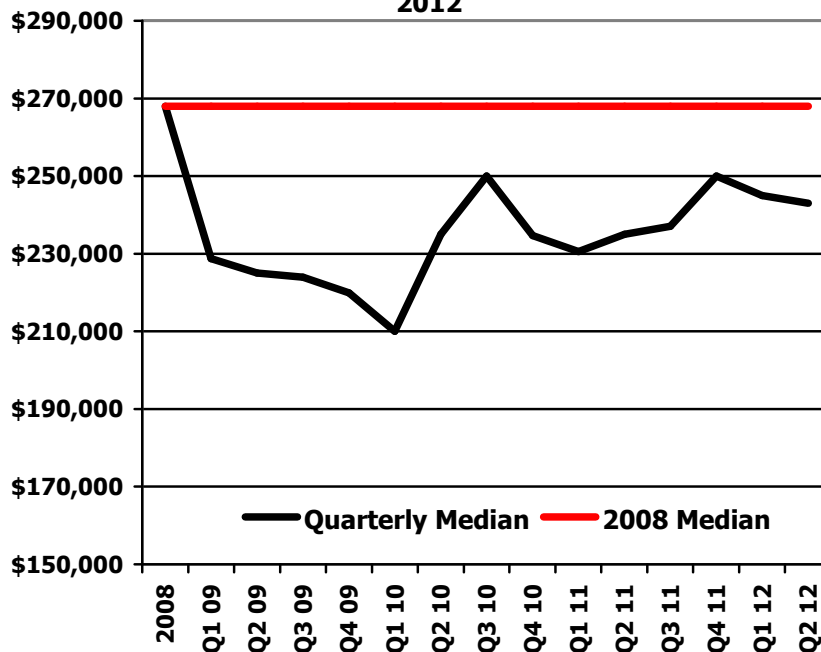
\$25,000 this quarter – from \$180,000 to \$155,000. It appears that the final obstacle to fully stabilizing the market in the NSP area is in the condominium market. This will not be easy, either, because there were a lot of speculative conversions during the bubble that really should never have been converted, and many of the condo associations in this part of the city are small and struggling because their moderate-income owners can not easily make up for fee delinquencies in their associations. New, more restrictive, lending standards can compound this problem because owners may be unable to sell or refinance their units if their association doesn’t meet the lender’s solvency and owner-occupancy requirements.

Non-REO Home Values In NSP Area. While overall prices represent the market in general, most homeowners are not buying or selling an REO property, and the true market they are facing is the market for non-REO properties.

Looking just at this market, the average home price is currently \$243,000 -- \$21,625 higher than the overall market price of \$221,375. While this would seem to be good news for homeowners, the reality is that the non-REO market is faring much worse than the overall market compared to 2008.

As this chart shows, while the overall market had gained most of the losses since 2008, the homeowner (non-REO) market still has a long way to go. Home values today (\$243,000) are still \$25,000 below what they were in 2008 (\$268,000). Compared to the 2005 market peak of \$379,000, the average homeowner in the NSP area has lost \$136,000 in home values over the last seven years.

MEDIAN NON-REO HOME PRICES NSP AREA 2008-2012



Actions To Further Support The NSP Housing Market

To support the condo market in the high foreclosure neighborhoods, the City has applied for funding from the Attorney General's Office to help support struggling condominium associations that have fee delinquencies due to foreclosure activity. If funded, this pilot effort will seek to demonstrate whether or not the City can bring greater stability to the condo market by enabling more associations to meet lender-required solvency standards so that units can be sold and refinanced more easily.

In March 2012, the City launched a new initiative to promote and stabilize the City's Triple Decker stock. These properties, largely concentrated in the high-foreclosure parts of the city, are an iconic element of Boston's housing stock. Triple Deckers were severely

buffeted by the market swings of the last ten years. First, as prime properties for new condominium conversions, they experienced explosive value growth during the housing bubble. This was followed by a destructive round of foreclosures as those new condominiums lost over 70% of their value, and investors walked away. This new initiative will provide up to \$30,000 in purchase and renovation assistance for owner-occupied Triple Deckers. Visible exterior repairs that support neighborhood revitalization will be priority in this program.

To date, 164 owners of Triple Deckers and condos in Triple Deckers have become 3D members. The City currently has 31 Triple Deckers in its home purchase and home repair programs and most of them are in the NSP area. Pictured here is the first property completed in this initiative that received \$29,000 in interest-free loans for porch replacement and a new roof.



GOAL 3: REVERSING THE RISE IN HOMELESSNESS

2012 Target: House 100% of the 569 individuals that were homeless for a year or more in 2009⁸.

Current Status:

Q2 2012 Target: Reduce the number of long-term homeless individuals in shelter by 498

Q2 2012 Performance: Long term homeless count reduced by 426 (86% of target)

2009 Long Term Homeless Count	October 2009	2010	2011	Q1 2012	Q2 2012	TOTAL LTW to Date
Placed Into Housing		140	73	3	11	227
Returned to Shelter After Being Housed			18			18
Left Shelter System			217			217
Remaining Count	569	429	157	154	143	143

2009 Long Term Homeless

Of the 569 individuals that were homeless for a year or more in October 2009, 227 have been placed into permanent housing by the City and its partners of which only 18 (8%) have fallen back into homelessness. On net, 209 long-term homeless remain permanently housed. Another 217 have left the shelter system without assistance from the City. In total, only 143 of the original 569 long-term homeless individuals remain in Boston shelters.

Total Long Term Homeless

In December 2011, the City identified 255 more individuals that were homeless for more than a year bringing the total number of long-term homeless to 412. Targeted efforts to house these newly identified individuals began in Q2 2012 with 35 of them being housed this quarter. The total number of long-term homeless in Boston current stands at 363 -- a 36% decline since 2009.

Long Term Homeless Individuals	October 2009	Q4 2010	Q4 2011	Q1 2012	Q2 2012	TOTAL LTW-III to Date
2009 LT Homeless	569	429	157	154	143	143
2011 LT Homeless			255	255	255	255
Placed Into Housing					35	35
Returned to Shelter						0
Left Shelter System						0
Total Long Term Homeless	569	429	412	409	363	363

⁸ This goal has been restated to more clearly define the City's target for housing its long term homeless. It has also been tied to the first complete census of the long-term homeless in October 2009 rather than the estimated count as of December 2008.

Actions To Reduce The Total Number of Individuals in Shelter

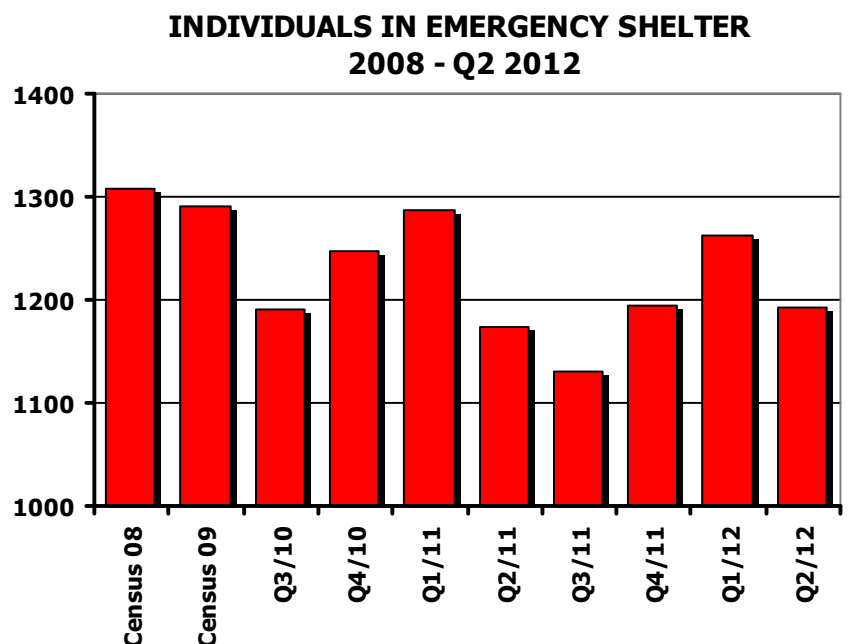
Beyond the primary goal of housing its long-term homeless, the City has, since 2010, implemented three supplemental strategies to reduce the overall count of individuals in emergency shelter: 1) Homelessness Prevention by helping the most at-risk retain their and stabilize their housing before they enter shelter, 2) Homelessness Diversion which involves rehousing people as they seek to enter shelter and 3) Rapid Rehousing where the City and shelter providers focus on getting the newly homeless back into their previous housing or into alternate arrangements before those options disappear over time. These initiatives have housed almost 800 individuals since 2010.

Individuals Housed	2009	2010	2011	Q1 2012	Q2 2012	TOTAL LTW-III to Date
Homelessness Prevention	0	269	50	16	21	356
Homelessness Diversion	0	31	59	14	13	117
Rapid Rehousing	0	140	122	22	42	326
Total Individuals Housed	0	440	231	52	76	799

These initiatives were initially supported by the one-time federal Homelessness Prevention and Rapid Rehousing Grant in 2010 that, by 2011, had been largely spent down. The City continues to support these initiatives with other federal funds, although at reduced level, with the most significant reductions coming in homelessness prevention services. In May 2012, the City submitted an application to the Attorney General's office for funding out of the interstate banking settlement to support rapid rehousing of people who are being evicted as a result of foreclosure. If the application is funded, this will provide some additional short-term funding for rapid rehousing services.

Total Shelter Count: Starting in 2010, the Homeless Management Information System was able to generate daily and quarterly counts that track this population much more precisely than the once-a-year census that had been used previously. As can be seen here, there is a lot of seasonality in the shelter counts with peak counts in the winter quarter and the lowest counts during the summer. Given this seasonality, the best way to determine an overall trend is to compare the current quarter's count with the same quarter the year before. For Q2 2012, there were 1,193 individuals in shelter,

1.6% above the 1,174 that there were in Q2 2011. Compared to the 1,307 individuals in shelter enumerated in the Homeless Census at the end of 2008, the number of homeless individuals in shelter has declined by 8.7% over the course of *LTW-III* to date.



2012 Target: Reduce Family Homelessness By 50%: from 1,378 families to 689

Current Status:

Q2 2012 Target: Reduce family homeless count by 603

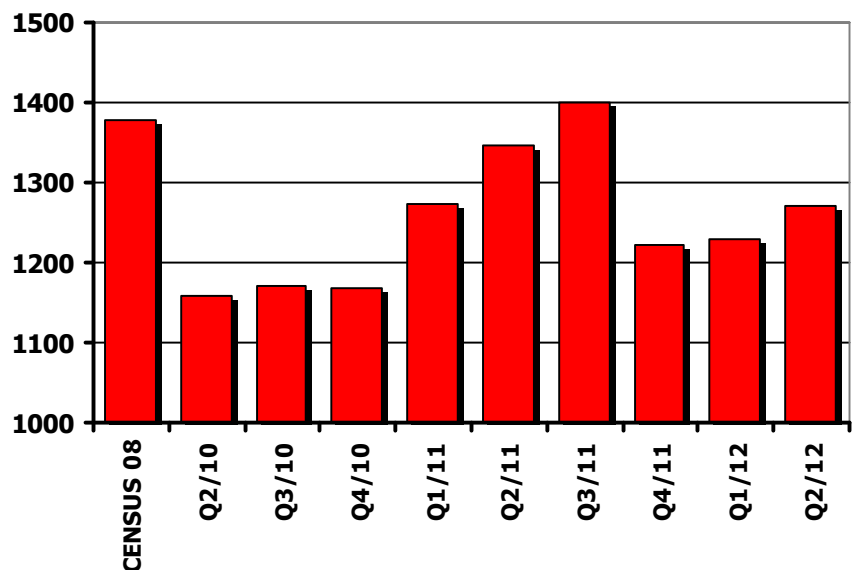
Q2 2012 Performance: Family count down by 107 (18% of target)

Of all the goals of *LTW-III*, the goal to reduce family homelessness by 50% has always been the most challenging because in large part the emergency shelter system for families is a State function. The City has substantially less capacity to track and influence family homelessness compared to individual homelessness. To track this issue, since 2010, the City has relied on monthly reports from the State on hotel/motel utilization and combines this data with the City's annual homeless census on congregate, scattered site and

other non-shelter populations (e.g. domestic violence, transitional). This data limitation is less problematic than it first appears primarily because congregate and scattered site shelters are generally at or near full capacity year round, and the incremental changes in family counts usually turn up first in the hotel/motel counts.

As shown below, although the number of homeless families is currently 9% below its 2011 peak, the count is once again rising with 41 more hotel/motel families compared to last quarter.

HOMELESS FAMILIES 2008 - Q2 2012



HOMELESS FAMILIES	CENSUS 08	CENSUS 09	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12
Hotel/Motel	517	409	165	270	343	396	270	277	318
Congregate/ Scattered Site	604	690	766	766	766	766	756	756	756
Non-Shelter Families	257	270	237	237	237	237	197	197	197
TOTAL	1378	1369	1168	1273	1346	1399	1223	1230	1271

Actions To Reduce The Total Number of Homeless Families

As was the case with homeless individuals, the City has, since 2010, implemented three strategies to reduce the family homeless count: 1) Homelessness Prevention, 2) Homelessness Diversion and 3) Rapid Rehousing. To date, more than 1,400 families have been housed through these initiatives.

Families Housed	2009	2010	2011	Q1 2012	Q2 2012	TOTAL LTW-III to Date
Homelessness Prevention	0	551	80	4	12	647
Homelessness Diversion	0	85	35	0	0	120
Rapid Rehousing	0	174	188	29	270	661
Total Families Housed	0	810	303	33	282	1,428

Similar to the situation with homeless individuals, there was a substantial decline in service levels in 2011 after the one-time federal grant funds were exhausted. The declines in service appear more extreme than seen with homeless individuals because, as a State-run system, any funds to make up for the declining federal funds would come from the State and are not reported to the City.

Most notable this quarter is the substantial jump in the Rapid Rehousing numbers. This is the outcome of the BHA's efforts to target 500 units of assisted housing to Boston families living in Boston's shelters. Those families started to be placed in large numbers this quarter. Although these families are generally longer-term residents of the shelters, and technically are not rapid-rehousing clients, they are reported here because the rapid-rehousing entities were delivering this initiative along with the BHA. That these efforts are not translating into lower overall family counts reflects the limitation on the City's data that does not get accurate data on congregate shelter counts except at the annual census. It is expected, however, that in coming quarters the State will be able place more families into the vacancies in congregate shelters and the hotel/motel count will decline.

Additional Measures: Production of Housing for Boston's Homeless

Since 1997, the City has also created units that are specifically targeted to the homeless through its Homeless Set-aside Policy that requires 10%-20% of the units in any new or preserved rental development be targeted to the homeless. In addition, homeless units are created in some homeless-only developments where on-site supportive services are usually integrated into the development plan. This quarter, 15 homeless setaside units were created in two developments: 3 were created in the preservation and renovation of Worcester House in the Back Bay and another 12 were created in the Mattapan Heights V development.

UNITS OF HOMELESS SETASIDE HOUSING CREATED	Q2 2012	LTW-III To Date
Homeless Setaside Units Created: New Production	12	246
Homeless Setaside Units Created: Rental Preservation	3	62
TOTAL HOMELESS SETASIDE UNITS CREATED	15	308

GOAL 4: PRESERVING AFFORDABLE RENTAL HOUSING

2012 Target: *Start Construction Renovating or Redeveloping 5,000 Units of Public Housing*

Current Status:

GOAL ACHIEVED. 7,070 Units Started (141% target)

2012 Target: *Complete Construction on Renovations to 5,000 Units of Public Housing*

Current Status:

GOAL ACHIEVED. 7,220 Units Completed (144% target)

Units of Public Housing Renovated or Redeveloped	Q1 2012	LTW-III TO DATE
BHA Units In Construction	0	7,070
BHA Units Completed	24	7,220

Only one project, Bromley Heath, remains in construction. It is projected for completion by mid-fall 2012.

2012 Target: *Preserve 5,000 Units of Privately Owned Affordable Rental Housing*

Current Status:

Q2 2012 Target: 4,375 units preserved

Q2 2012 Performance: 3,793 units preserved (87% target)

There remain 1,681 units of at-risk housing that are due to expire before the end of 2012. Of those, 712 units are considered at greatest risk because they are for-profit owned.

Units of Affordable Rental Housing Preserved For 5+ Years	Q2 2012	LTW-III TO DATE
EUR Rental Units Preserved (of the 5,583 units at-risk by 2012)	40	3,305
Non-EUR Affordable Rental Units Preserved	39	488
TOTAL PRIVATE RENTAL PRESERVATION	79	3,793

2012 Target: Lose No More Than 15% of 5,583 Federal/State Units Due to Expire by 2012

Current Status:

Q2 2012 Target: Lose less than 728 units⁹

Q2 2012 Performance: 597 units lost

44 units at Rutland Housing in the South End were lost this quarter. Despite this, the City remains on track to limit affordable rental losses no more than 15% of the at-risk stock.

Units of At-Risk EUR Housing Lost	Q2 2012	LTW-III TO DATE
EUR Units Lost	44	597
EUR Units Lost as Percentage of the 5,583 units at risk by 2012	0.8%	10.7%

⁹ 15% of 5,583 is 837 units, or 52 units per quarter over the four years of LTW-III